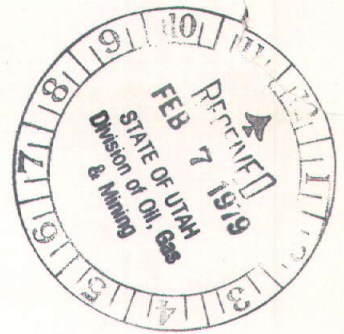




5M, INC., P.O. BOX 752, HURRICANE, UTAH 84737 (801) 635-4473



February 2, 1979

State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
1588 West North Temple
Salt Lake City, Utah 84116

ATTN: Mr. Ronald W. Daniels

RE: Reclamation Surety
Silver Reef Mine

Dear Ron,

Your letter of December 26, 1978, requested some additional information be provided by way of explanation to our letter of 18 December.

Accordingly, the following information is respectfully submitted, and is set forth in the numerical order as appearing under paragraph 3 of your letter referenced above:

1. 75 acres is the correct figure.
2. Open cut areas designated as A - B - C on Map No. 22 'Amended Mining Program' 5M, Inc., dated 12/5/78.
3. The areas designated for reclamation would be evaluated at 5 year intervals for inflation, and if needed, a fair and reasonable adjustment negotiated.

We plan to be in Salt Lake City this next week, and will plan to see you at your office.

Sincerely,

Jerry Glazier

JG:s